

Article - Estates and Trusts

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§14.5–1001.

(a) (1) In this section the following words have the meanings indicated.

(2) “Consideration” does not include the amount of any obligation under a mortgage, deed of trust, or other writing encumbering the transferred property.

(3) “Trust” does not include:

(i) A real estate investment trust as defined in § 8–101 of the Corporations and Associations Article; or

(ii) A statutory trust as defined in § 12–101 of the Corporations and Associations Article.

(4) “Vehicle” includes:

(i) A motor vehicle, a trailer, a semitrailer, a moped, a motor scooter, or an off-highway recreational vehicle for which sales and use tax is not collected at the time of purchase; or

(ii) A motor vehicle, trailer, or semitrailer that is in interstate operation and registered under § 13–109(c) or (d) of the Transportation Article without a certificate of title.

(b) A recordation tax, transfer tax, or any other State or local excise tax may not be imposed on the transfer of real property or an interest in real property without consideration or on the recordation of an instrument that transfers real property or an interest in real property without consideration if:

(1) The transfer is to a trust; or

(2) The transfer is from a trust to one or more beneficiaries and:

(i) The transfer is made to a person that would be exempt from tax under Title 12 or Title 13 of the Tax – Property Article if the transfer had been made to that person directly by the grantor;

(ii) The transfer is made during the life of the grantor of the trust and the trustee of the trust originally acquired the real property for adequate consideration; or

(iii) The transfer is made to a beneficiary of a revocable trust as a result of the death of the settlor of the trust.

(c) An excise tax or a certificate of title fee imposed under Title 13, Subtitle 8 of the Transportation Article may not be imposed on the issuance of an original or subsequent certificate of title issued for a vehicle that is transferred without consideration if:

(1) The transfer is to a trust and the transfer would be exempt from the excise tax under § 13–810 of the Transportation Article if the transferor transferred the vehicle directly to one or more of the beneficiaries; or

(2) The transfer is from a trust to one or more beneficiaries of the trust and:

(i) The transfer is made to a person that would be exempt from the excise tax under § 13–810 of the Transportation Article if the transfer had been made to that person directly by the transferor of the vehicle to the trust;

(ii) The transfer is made during the life of the settlor of the trust and the trustee of the trust originally acquired the vehicle for adequate consideration; or

(iii) The transfer is made to a beneficiary of a revocable trust as a result of the death of the settlor of the trust.

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